

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1848 - HB 2561

February 27, 2022

SUMMARY OF BILL AS AMENDED (014358): Enacts the *Occupational Therapy Licensure Compact* (OTLC), to recognize occupational therapists' and occupational therapy assistants' licensures from member states, and the *Audiology and Speech-Language Pathology Interstate Compact* (ASPIC), to recognize audiologists' and speech-language pathologists' licensures from member states. Subjects the compacts to the *Tennessee Governmental Entity Review Law*, with a sunset date of June 30, 2024.

FISCAL IMPACT OF BILL AS AMENDED:

Increase State Revenue –

**\$10,000/FY22-23 and Subsequent Years/
Board of Communication Disorders and Sciences**

**\$10,000/FY22-23 and Subsequent Years/
Board of Occupational Therapy**

Increase State Expenditure –

**\$10,000/FY22-23 and Subsequent Years/
Board of Communication Disorders and Sciences**

**\$10,000/FY22-23 and Subsequent Years/
Board of Occupational Therapy**

Pursuant to Tenn. Code Ann. § 4-29-121, all health-related boards are required to be self-supporting over a two-year period. The Board of Communication Disorders and Sciences had a surplus of \$72,123 in FY19-20, a surplus of \$84,257 in FY20-21, and a cumulative reserve balance of \$551,632 on June 20, 2021. The Board of Occupational Therapy had a deficit of \$24,228 in FY19-20, a deficit of \$17,868 in FY20-21, and a cumulative reserve balance of \$369,802 on June 20, 2021.

Assumptions for the bill as amended:

- According to the provisions of the OTLC, ten states need to enact the proposed legislation in order for it to go into effect. Currently, there are nine states that have enacted it, meaning Tennessee's passing of it could potentially set it into final effect.

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- According to the ASPIC, the compact has already been enacted into law in 15 states, which surpasses the 10 states that were necessary. The compact commission was scheduled to convene in January 2022; however, the process of implementing rules and bylaws is expected to last a year or longer.
- It is assumed that both compacts will become fully operational in FY22-23 and full impacts will be incurred starting with that fiscal year.
- The proposed legislation states that each member state shall have one delegate to the OTLC and two delegates to the ASPIC and that it shall provide for those delegates to attend all respective compact commission meetings, which occur at least annually. However, a delegate may participate in meetings by telephone or other means of communication.
- The commissions will have the ability to hire employees, elect or appoint officers, fix compensation, and prepare and recommend the budget once the compacts go into effect. Executive committees will meet at least annually and will set the fees that are due by each Compact member state.
- The total cost of participating in the two compacts is unknown. However, based on information provided by the Department of Health regarding typical expenditures for participation in interstate compacts, the total recurring increase in state expenditures to the Board of Occupational Therapy is reasonably estimated to be \$10,000, beginning in FY22-23. The total recurring increase in state expenditures to the Board of Communication Disorders and Sciences is reasonably estimated to be \$10,000, beginning in FY22-23.
- Each professional individual seeking a license under the licensure compact is responsible for the payment of any fee associated with the completion of an FBI criminal background check; therefore, the state would not incur this cost.
- According to the proposed legislation, when an occupational therapist or assistant changes states of residence while still within member states, they must pay all applicable fees to that new state of residence when reapplying for a new home state license. Member states may charge a fee for granting a Compact privilege.
- The total increase in state revenue to the Board of Communication Disorders and Sciences and the Board of Occupational Therapy is dependent upon multiple unknown variables, such as the specific fees imposed and the number of therapists that will seek and be granted a Compact privilege. However, it is reasonable to assume that the boards will set the fees in an amount sufficient to offset the expenditures incurred for the state's participation in the compacts. Therefore, the recurring increase in state revenue to the
- Board of Communication Disorders and Sciences is estimated to be approximately \$10,000, beginning in FY22-23. The recurring increase in state revenue to the Board of Occupational Therapy is estimated to be approximately \$10,000, beginning in FY22-23.
- It is assumed that both compacts will be extended past their sunset dates.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health-related boards are required to be self-supporting over a two-year period.
- The Board of Communication Disorders and Sciences had a surplus of \$72,123 in FY19-20, a surplus of \$84,257 in FY20-21, and a cumulative reserve balance of \$551,632 on June 20, 2021.
- The Board of Occupational Therapy had a deficit of \$24,228 in FY19-20, a deficit of \$17,868 in FY20-21, and a cumulative reserve balance of \$369,802 on June 20, 2021.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The script is cursive and fluid, with the first letters of each name being capitalized and prominent.

Krista Lee Carsner, Executive Director

/cd